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*Office Memorandum* • UNITED STATES GOVERNMENT

TO : Chief of Logistics

DATE: 6 January 1955

FROM : Chief, Procurement Division

SUBJECT: Weekly Activity Report

1. GENERALa. Procurement of Quartz Crystals (completed):


Authority was received from the DD/A this week to reject all bids received pursuant to the invitation for bids on 100,000 crystals and to procure the items under readvertisement for bids. In connection with this procurement Commo cancelled its pending requisition for crystals this week and has informally advised that a new requisition setting forth revised quantity requirements will be submitted in the near future. Immediately upon receipt of requisition for the revised quantities this procurement will be readvertised for bids.

b. Status of DP Contracts Obligated under Fiscal Year 1952 Funds (continued):(1) Awaiting Industrial Contract Audit Branch Report:

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Audit of subcontractor,   
scheduled for 24 January 1955.


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(2) Audit Report Received - Being Analyzed

 Received 16 November 1954. Pending determination by Inspection Section as to reasonableness of certain quantities of residual inventory.

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(3) Settlement Letter to Contractor

 Contractor's letter dated 28 December 1954, received on 5 January 1955, concerning payment of royalties in escrow is being reviewed.

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[REDACTED] Contractor has advised that a reply to our letter concerning their capital equipment account and method used for depreciation will be submitted on 21 January 1955.

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4. Settlement Agreements to Contractors:

5. [REDACTED]

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c. Special Purchase Branch Move to R&S Building (completed):

Special Purchase Branch move to Room 9, R&S Building, was effected on 30 December 1954. The installations and alterations have been completed and facilities are being utilized. Several minor adjustments are being coordinated with the RE&C Division.

[REDACTED]

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2. OTHER ITEMS OF INTEREST

a. Liaison Activities (continued):

It is understood that of a budget of some [REDACTED] for Commo R&D during Fiscal Year 1955, a total of only some \$100,000 has been submitted to date. It is understood that the major part of the total budget will be spent on 4 or 5 large contracts. As of 4 January 1955 [REDACTED] has revealed that a sizeable part of the balance of the budget will be programmed as a result of their R&D Board meeting on 5 January 1955 and it is hoped that it can be presented to us in our meeting with them on 6 January 1955.

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As a result of recent meetings arranged by this office with [REDACTED], the Office of Communications has expressed an active interest in their development of small DC motors similar to units presently being developed under contract with another firm. Also as a result of these meetings a new low cost recorder being manufactured by [REDACTED] is being tested by TSS and Commo with gratifying results and

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to the extent that an initial quantity is being or is to be purchased.

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According to latest reports (as of 30 November 1954) Commo supply items cleared on requisitions through Supply Division totaled some \$573,000 as compared to a budget of [REDACTED] for Fiscal Year 1955. December 30 figures will be available in approximately 10 days.

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As of 4 January [REDACTED] indicated that the balance of the firm part of the planned supply procurement for FY 55 has now been submitted and is somewhere on the way to us. It is understood that this leaves something less than a dozen items of the planned supply item procurement for this Fiscal Year. These will be submitted as promptly as requirements are firmed up. This matter will be discussed further during the meeting with Commo on 6 January.

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b. Special Containers for Classified Trash: (continued)

Invitations to bid were opened this afternoon at 2:30 p.m. Invitations had been sent to nine bidders and replies were received from four. However, only one actual bid was received. Prices quoted would seem to be exceedingly high. For example, the making of the mold was quoted at \$2,750.00 and an average cost of about 75¢ per container. Pursuant to telephone conversation from one of the other potential bidders, another bid is in the mail. Perhaps others are also in the mail and will have to be considered based on actual time received in the Agency. Complete tabulation together with all of the correspondence pertaining to the case will be forwarded on Friday, 7 January 1955.

c. Procurement Review Committee: (continued)

This Committee held two meetings during each of the following days: 29 December and 3 January. The Committee reviewed a total of six new cases and two old ones at the two meetings held and was able to resolve all eight of them.

d. Procurement of Safe File Cabinets: (continued)

No change.

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3. SPECIAL PROBLEMS

a. Photographic Equipment: (continued item)

The [REDACTED] Mission has not responded to the dispatch requesting information on the remaining two items of photographic equipment to be procured by that station. An additional dispatch has been forwarded to the Mission requesting procurement of three additional line items. ✓

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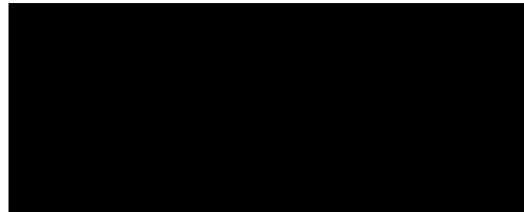
b. Purchase Discounts: (continued item)

A letter of understanding has been prepared and coordinated with the LO/SS and the General Counsel's Office. The cleared official of [REDACTED] will be approached on 7 January for his approval and acknowledgment of the letter of understanding. The internal accounting procedures governing the disposition of the discounts is currently being discussed with [REDACTED] of the Technical Accounting Staff of the Comptroller's Office.

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